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SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS
As reported from House Subcommittee
House Bill 4280 (H-1) Draft 4, Fiscal Year 2011-12 and Fiscal Year 2012-13

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Sec. 6 Pupil Membership Definitions	(4)(m) Prohibits an individual who has graduated from high school or obtained a G.E.D. from being counted in membership.	(4)(m) Clarifies that an individual who has obtained a G.E.D. shall not be counted in membership "unless the individual is a student with a disability as defined in R 340.1702 of the Michigan Administrative Code."	Concurs with Executive.		
	(4)(r) Allows districts to count a full FTE for kindergarten pupils as long as the instructional hours for kindergarten are at least half of the instructional hours for grades 1-12.	No Change.	Maintains current law for FY 2011-12 but requires that beginning in FY 2012-13, a kindergarten pupil must receive an equal number of instructional hours as pupils in grades 1-12 to be counted as a full FTE.		
	(4)(y) Provides that for a district with fewer than 1,550 pupils and fewer than 4.5 pupils per square mile, that the pupil membership for the district shall be calculated based on a 3-year average pupil membership rather than a one-year pupil membership blend.	(4)(y) Deletes this subdivision, which creates a savings of \$7,000,000 million under section 22b.	Concurs with Executive.		
	(4)(cc) Calculates the pupil membership for a student for their first year in a middle college program.	(4)(cc) Deletes this subdivision, along with Section 64, which provides for middle colleges.	Concurs with Executive.		
	(6)(L) Describes counting a non-resident pupil in a middle college.	(6)(L) Deletes this subdivision, along with Section 64, which provides for middle colleges.	Concurs with Executive.		

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Sec. 6 Pupil Membership Definitions (cont.)	(7) Defines pupil membership count day as the fourth Wednesday after Labor Day. (19) Defines textbook	(7) Moves fall count day to the first Wednesday in October to consolidate with federal special education counts. (19) Adds electronic books or resources to the definition.	Maintains current law. Concurs with Executive.		
Sec. 11 Total Appropriations	<p>School Aid Fund (SAF) FY 2010-11 SAF appropriation of \$10,937,260,500.</p> <p>General Fund (GF/GP) FY 2010-11 appropriation of \$18,642,400.</p> <p>Federal American Recovery and Reinvestment Act (ARRA) Fund FY 2010-11 appropriation of \$184,256,600 from Title XIV, the State Fiscal Stabilization fund.</p> <p>Federal Education Jobs Funds FY 2010-11 appropriation of \$316,270,300</p> <p>Other Federal Funds FY 2010-11 estimated at \$1,677,806,400</p>	<p>School Aid Fund (SAF) FY 2011-12 SAF appropriation of \$10,107,684,900 FY 2012-13 SAF appropriation of \$10,144,888,300</p> <p>General Fund (GF/GP) FY 2011-12 appropriation of \$412,542,400 FY 2012-13 appropriation of \$345,242,400</p> <p>Federal American Recovery and Reinvestment Act (ARRA) Fund Eliminates this appropriation because the fund source is no longer available.</p> <p>Federal Education Jobs Funds Eliminates this appropriation because the fund source is no longer available.</p> <p>Other Federal Funds FY 2011-12 and FY 2012-13 estimated at \$1,653,331,800 Revises proration language to apply it to community colleges and universities which are included in a single budget.</p>	<p>School Aid Fund (SAF) FY 2011-12 SAF appropriation of \$10,111,241,600 FY 2012-13 SAF appropriation of \$10,143,345,000</p> <p>General Fund (GF/GP) FY 2011-12 appropriation of \$411,172,700 FY 2012-13 appropriation of \$343,872,700</p> <p>Federal American Recovery and Reinvestment Act (ARRA) Fund Concurs with Executive.</p> <p>Federal Education Jobs Funds Concurs with Executive.</p> <p>Other Federal Funds Concurs with Executive. Maintains 3 separate bills but concurs in applying proration to community colleges and universities.</p>		

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Sec. 11d Per pupil Reduction	<p>Reduces total state aid to districts by \$170 per pupil and allows districts to absorb the cut by reducing or eliminating any other funded program except secs. 11g, 22a, 31d, 32d, 51a(12), 51c, 53a, and 152a. Estimated total reduction is \$268,590,300.</p> <p>Requires districts to report on efforts to consolidate services by February 1, 2011.</p> <p>Also requires districts and intermediate districts to explore coordinating regional purchasing of diesel fuel.</p>	Repeals this section and rolls the current \$170 per pupil reduction into the foundation allowance in Section 20.	Concurs with Executive.		
Sec. 11g Durant Bonding Payment	Appropriates \$39,000,000 in FY 2010-11 to districts for "Durant" bond payments.	Appropriates \$39,000,000 for FY 2011-12 and FY 2012-13.	Concurs with Executive.		
Sec. 11j School Bond Loan Fund	Appropriates \$5,167,800 for debt service in FY 2010-11 for the school bond loan program.	Increases the appropriation to \$93,575,300 for FY 2011-12 and \$89,578,700 for FY 2012-13 to recognize the cost of required payments which were reduced due to refinancing in FY 2010-11.	Concurs with Executive.		
Sec. 11m Cash-Flow Borrowing	Appropriates \$45,000,000 in FY 2010-11 to pay for costs associated with cash-flow borrowing related to the SAF.	Decreases the cash flow borrowing cost to \$20,000,000 for FY 2011-12 and \$30,000,000 for FY 2012-13 to recognize anticipated lower interest rates.	Concurs with Executive.		

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SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Sec. 20 Foundation Allowance Calculation	<p>Basic foundation allowance for FY 2010-11 is \$8,489 and the minimum foundation is \$7,316.</p> <p>(8) Provides that for a hold harmless district whose hold harmless millage is less than 0.5 mills, the district can elect not to levy those mills and the state will make up the revenue it would have collected.</p> <p>(9) Provides that for a hold harmless district with fewer than 350 pupils, the district can elect not to levy its hold harmless mills and the state will make up the revenue it would have collected.</p> <p>(13) Calculates the index which shall be used to determine the annual growth in the lowest foundation allowance. In FY 2009-10 and FY 2010-11 the index was set at 1.00.</p> <p>(15) Intent language requiring a GF/GP amount sufficient to support pupil membership growth in excess of 101% of the previous year membership.</p>	<p>Reduces the Basic foundation allowance to \$8,019 and the minimum foundation to \$6,846, decreasing each as well as the foundation allowances of all districts by \$470 for both FYs 2011-12 and FY 2012-13.</p> <p>(8) Deletes this subsection.</p> <p>(9) Deletes this subsection.</p> <p>(11) Sets the index at 0.93575 for FY 2011-12 and at 1.00 for FY 2012-13.</p> <p>(15) Deletes this subsection.</p>	<p>Reduces foundation allowances by 3.9% of a district's foundation allowance in FY 2010-11 or the basic foundation, whichever is less, and then further reduces by \$170 to roll in Sec. 11d per pupil cuts. Basic equals \$7,988 and the minimum equals \$6,861.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(11) Revises to 0.93781 for FY 2011-12 to recognize the 3.9% and \$170pp reductions. Maintains index equal to 1.00 for FY 2012-13.</p> <p>Concurs with Executive.</p>		

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Sec. 20 Foundation Allowance Calculation (continued)	(16) For a hold harmless district with fewer than 7 pupils in 1993-94, guarantees a base amount of combined state and local revenue including the additional costs of sending its pupils in grades 9 to 12 to other districts. (Bois Blanc)	(16) Deletes this subsection.	Concurs with Executive.		
	(17) Foundation allowance adjustment for a district that had a 7.75 school operating millage turned down in 1993, to recalculate their foundation allowance as if the millage had been approved. (Wayne-Westland)	(17) Deletes this subsection.	Concurs with Executive.		
	(18) Foundation allowance adjustment for a district in which an industrial facilities exemption certificate abated property taxes to add \$250 to the foundation allowance as otherwise calculated. (Gibraltar)	(18) Deletes this subsection.	Concurs with Executive.		
	(19) Foundation allowance adjustments for districts that received a small class size grant in 2001-2002.	(19) Deletes this subsection.	Concurs with Executive.		
	(20) Defines allowable uses for an early intervening program receiving funds resulting from an adjustment under (19).	(20) Deletes this subsection.	Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Sec. 20 Foundation Allowance Calculation (continued)	<p>(21) Foundation allowance adjustment for a district that levied 1.9 mills in 1993 to finance an operating deficit to recalculate its foundation allowance as if those mills were included in operating mills to calculate its 1994-95 foundation allowance. Adjustment capped at \$800,000. (Garden City)</p> <p>(22) Foundation allowance adjustment for a district that levied 2.23 mills in 1993 to finance an operating deficit to recalculate its foundation allowance as if those mills were included in operating mills to calculate its 1994-95 foundation allowance. Adjustment capped at \$500,000. (Huron)</p>	<p>(21) Deletes this subsection.</p> <p>(22) Deletes this subsection.</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p>		
Sec. 22a Proposal A Obligation Payment (The Constitutionally required part of the foundation)	FY 2010-11 appropriation of \$5,764,000,000.	<p>FY 2011-12 appropriation is reduced to \$5,682,500,000 to reflect future cost estimates based on pupil estimates and taxable value estimates.</p> <p>FY 2012-13 appropriation is \$5,590,500,000.</p>	<p>FY 2011-12 appropriation is reduced to \$5,682,000,000.</p> <p>FY 2012-13 appropriation is \$5,602,000,000.</p>		
Sec. 22b Discretionary Payment (The discretionary portion of the foundation allowance.)	FY 2010-11 appropriation of \$3,757,756,600.	<p>FY 2011-12 appropriation reduced to \$3,009,713,000 to reflect cost estimates based on \$470 per pupil reductions.</p> <p>FY 2012-13 appropriation of \$3,019,713,000.</p>	<p>FY 2011-12 appropriation reduced to \$3,011,000,000 for estimates based on \$470 per pupil reductions.</p> <p>FY 2012-13 appropriation of \$3,007,000,000.</p>		

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Sec. 22b (cont.)		(12) NEW - Would allocate \$300,000,000 out of the existing appropriation to districts whose employees pay at least the same percentage for health care benefits as state employees.	Revises and includes similar language under new Section 22f.		
Sec. 22d Supplemental funding to Small, Isolated Districts	Appropriates \$2,025,000 for FY 2010-11, with \$750,000 to certain small, geographically isolated districts and \$1,275,000 to districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.	Repeals this section.	Concurs with Executive.		
Sec. 22e Replacing Lost Michigan Business Tax (MBT) Revenue for Out-of- Formula Districts	(1) Appropriates \$1,300,000 in FY 2010-11 to replace local revenue in out-of-formula districts lost due to MBT changes. (4) Does not allow any grant recipient to receive more than 15% of the total appropriation. (6) In addition, appropriates \$500,000 for Pontiac school district if they are eligible to receive payment under (1).	Repeals this section.	Concurs with Executive.		
Sec. 22f Best Practices incentives			NEW SECTION: (1) Creates an incentive grant beginning in FY 2012-13 to be paid on a per pupil basis to districts and intermediate districts that implement best practices including, at a minimum, two identified practices:		

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Sec. 22f Best Practices incentives (cont.)			<p>(a) The first is that a district or intermediate district shall pay no more than a state maximum allowable employer contribution for health care benefits for employees.</p> <p>(b) and (c) The second is developing a services consolidation plan in agreement with the department if the district hasn't already, and if it has then it must continue to implement that plan and annually report on progress.</p> <p>(2) Requires the department to maintain guidelines for service consolidation plans initially determined under former section 11d. Guidelines may identify allowable cost-sharing arrangements for non-instructional and instructional services and creation of joint operating agreements between and among districts, intermediate districts and local units of government. Department shall create benchmarks to measure successes including demonstrated cost reduction and efficiency. Department shall recognize consolidation and cooperation efforts already in effect as well as continued progress.</p>		

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Sec. 22f Best Practices incentives			(3) The state maximum health care benefit would have four rates depending on type of coverage: employee only, employee spouse, employee and children, and full family. For FY 2012-13 the state maximum employer contribution would equal 80% of the cost of the state's health plan for each of the four coverage levels in FY 2011-12. In subsequent years the dollar cap would grow by the increase in the Detroit Consumer Price Index.		
Sec. 24 Court-Placed Pupils	Appropriates \$8,000,000 in FY 2010-11 to reimburse districts for added costs of educating court-placed pupils in a local juvenile detention facility institution.	Continues the appropriation of \$8,000,000 for FY 2011-12 and FY 2012-13.	Concurs with Executive.		
Sec. 24a Educating Pupils in DHS Juvenile Justice Service Facilities	Appropriates \$1,440,000 in FY 2010-11 for payments to intermediate districts for pupils who are placed in juvenile justice facilities.	Reduces appropriation to \$1,197,500 for FY 2011-12 and FY 2012-13 to recognize further DHS facility closures and fewer pupils.	Concurs with Executive.		
Sec. 24c Youth Challenge Program	Appropriates \$742,300 in FY 2010-11 for the Youth Challenge Program. Payment goes through Battle Creek Public Schools to the Department of Military and Veterans' Affairs for the program.	Reduces the appropriation to \$644,800 for FY 2011-12 and FY 2012-13 to recognize the actual appropriation in the FY 2010-11 Department of Military and Veterans' Affairs budget.	Concurs with Executive.		
Sec. 26a Renaissance Zone Reimbursement	Appropriates \$26,300,000 from the SAF for FY 2010-11 to reimburse districts for lost local revenue due to renaissance zones.	Maintains the appropriation of \$26,300,000 for FY 2011-12 and FY 2012-13.	Concurs with Executive.		

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Sec. 26b PILT Reimbursement	Appropriates \$3,400,000 for FY 2010-11 to reimburse districts, intermediate districts, and community colleges for payment in lieu of taxes (PILT) obligations per PA 513 of 2004.	Reduces the appropriation to \$2,890,000 for FY 2011-12 and FY 2012-13 to recognize reduced property values.	Concurs with Executive.		
Sec. 29 Declining Enrollment Grants	Appropriates \$20,000,000 for FY 2010-11 for declining enrollment grants to local districts (excluding charter schools) with two consecutive years of declining enrollment. If a district receives funding under Sections 6(4)(y) or 22d, it is not eligible for a grant under this section.	Repeals this section.	Concurs with Executive.		
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings	Appropriates \$317,695,500 in FY 2010-11. At-Risk funding equals \$308,988,200. (6) Allocates \$3,557,300 for Child and Adolescent Health Centers. (7) Allocates \$5,150,000 from total for hearing and vision screenings. (16) Makes an exception for Dearborn, because otherwise districts with a combined state/local revenue per pupil over \$8,489 are prohibited from receiving funds. Exception made because at least 25% and at least 4,500 pupils in the district qualify for a free or reduced price meal plan.	Continues the \$317,695,500 appropriation into FY 2011-12 and FY 2012-13. At-Risk funding is maintained at \$308,988,200. (6) Continues the \$3,557,300 appropriation for health centers. (7) Continues the \$5,150,000 appropriation for hearing and vision screenings. (16) Repeals this subsection.	Concurs with Executive. Concurs with Executive. Concurs with Executive. Concurs with Executive. Retains current language for (16).		

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Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings (continued)	(17) Also makes an exception to allow Baldwin to qualify because at least 75% of its pupils qualify for a free or reduced meal plan.	(17) Repeals this subsection.	Retains current language for (17). NEW SUBSECTION (20) Would add to the list of allowable uses for at-risk funding to allow a district to provide an anti-bullying or crisis intervention program.		
Sec. 31d School Lunch Program	Appropriates \$22,495,100 SAF for FY 2010-11 to fund the State share of the school lunch programs as required by the <i>Durant</i> settlement and includes \$402,506,000 Federal.	Maintains the SAF appropriation of \$22,495,100 for FY 2011-12 and FY 2012-13, and maintains the Federal grant at \$402,506,000 for both years.	Concurs with Executive.		
Sec. 31f School Breakfast	Appropriates \$9,625,000 for FY 2010-11 to reimburse districts for the cost of providing breakfasts.	Maintains the appropriation of \$9,625,000 for FY 2011-12 and FY 2012-13.	Concurs with Executive.		
Sec. 32b Great Start Collaborative Grants	Appropriates \$6,000,000 for FY 2010-11 for grants to intermediate districts for great start collaboratives or other community purposes identified by the Early Childhood Investment Corporation (ECIC). Grants awarded to eligible intermediate districts in amounts determined by the ECIC.	Maintains the appropriation of \$6,000,000 for FY 2011-12 and FY 2012-13. (4) Eliminates required MDE report due by December 1 of each year to legislature which includes a detailed report of the grants awarded under this section and an analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services.	Concurs with appropriation for FY 2011-12. (4) Maintains current reporting requirement.		

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Sec. 32b Great Start Collaborative Grants (cont.)			NEW SUBSECTION (6) Establishes intent to move funding in FY 2012-13 to early childhood block grant program administered by intermediate districts in conjunction with local great start collaboratives. Requires department to work with intermediate districts, districts, great start collaboratives, and ECIC to revise application processes, funding formulas, program criteria, and data reporting requirements and report recommendations to legislature by January 1, 2012.		
Sec. 32d Great Start Readiness Program (GSRP)	<p>Appropriates \$89,400,000 SAF for FY 2010-11 to operate the district Great Start Readiness Program (GSRP) and \$300,000 GF/GP to continue a longitudinal study of the GSRP, and \$8,875,000 GF/GP for competitive GSRP grants to non-district programs.</p> <p>(1)(b) Allows funds to be used for preschool and parenting programs under former section 32b (PIE program); caps funding spent by each district for the former PIE program to the amount spent in the prior fiscal year.</p>	<p>Continues the \$89,400,000 SAF appropriation into FY 2011-12 and FY 2012-13, along with \$300,000 GF/GP for the study and \$8,875,000 GF/GP for the programs operated by entities other than school districts.</p> <p>(1)(b) Removes this allowable use of GSRP funds.</p>	<p>Appropriates a total of \$98,275,000 SAF to intermediate districts or consortia of intermediate districts for preschool programs and \$300,000 GF/GP for the longitudinal study for FY 2011-12.</p> <p>(1)(b) Maintains this allowable use.</p>		

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Sec. 32d Great Start Readiness Program (GSRP) (cont.)	<p>(2) Requires in order to be eligible for funds that districts comply with this section and section 39 and that competitive grant recipients comply with this section and section 32l.</p> <p>(5) An application shall provide the following: (a) compliance with all components in (4), (b) ensure more than 75% of children are less than or equal to 300% of poverty, (c) ensure teachers and paraprofessionals are qualified pursuant to this subsection, and (d) program budget.</p>	<p>(2) Maintains current law.</p> <p>(5)(c)(i) Expands the allowable early childhood endorsements to include the ZS (early childhood with special education) endorsement, in addition to the ZA (general education early childhood) endorsement. (5)(c)(i)(a) Requires teachers to complete compliance plans within 2 years rather 4 years from the date of employment.</p> <p>(5)(c)(i)(B) Removes language allowing teachers in a subcontracted program with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements to participate in the program.</p>	<p>(2) Revises this subsection to allocate funds to intermediate districts or consortia to act as fiduciaries for the programs. Requires that in FY 2011-12 the intermediate districts and consortia distribute funds to districts and to competitive programs based on the current funding formula formula for districts in Sec. 39 and the grant award distribution for competitive programs in Sec. 32l as directed by the department. Requires districts and competitive grant recipients to comply with existing program requirements. (Revises all references throughout section to intermediate districts accordingly.)</p> <p>Concurs with Executive</p> <p>Concurs with Executive</p>		

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	to encourage early mathematics and reading literacy, improve school readiness, reduce the need for special education services, and foster stable families.	(5)(c) Eliminates the required Department report due by December 1 of each year to the state budget director, and the fiscal agencies a report summarizing the data collected by each intermediate district on the number of children in families under 300% of the federal poverty level receiving services under this section and the total number of children receiving services under this section.	<p>Concurs with Executive.</p> <p>NEW SUBSECTION (7) Establishes intent to move funding in FY 2012-13 to early childhood block grant program administered by intermediate districts in conjunction with local great start collaboratives. Requires department to work with intermediate districts, districts, great start collaboratives, and ECIC to revise application processes, funding formulas, program criteria, and data reporting requirements and report recommendations to legislature by January 1, 2012.</p>		
Sec. 39a Federal Funds	(1) Appropriates \$761,973,600 for FY 2010-11 in Federal No Child Left Behind (NCLB) funds. (2) Appropriates \$32,359,700 in other Federal funds for education.	(1) Maintains Federal grants at the same levels, totaling \$761,973,600 for NCLB funds, and (2) \$32,359,700 in other Federal funds for education for FY 2011-12 and FY 2012-13.	Concurs with Executive.		

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Sec. 40 Great Start Readiness needs assessment methods	Requires the department to review biennially alternative methods to determine the number of children construed to be in need of school readiness programs and requires a report of its findings and recommendations to the Senate and House appropriations subcommittees.	Eliminates the reporting requirement.	Concurs with Executive.		
Sec. 41 Bilingual Education	Appropriates \$2,800,000 in SAF for FY 2010-11 for districts to provide bilingual education programs.	Repeals this section.	Concurs with Executive.		
Sec. 51a (1) Total Special Education Funding	(1) Appropriates \$1,057,883,000 SAF and \$385,700,000 Federal funding for FY 2010-11. (FY 2010-11 supplemental decreases the SAF appropriation to \$947,683,000 to reflect more recent cost estimates.)	(1) Appropriates \$975,069,100 SAF for FY 2011-12 and \$1,029,469,100 for FY 2012-13. Reduces federal funding to \$363,400,000 for FY 2011-12 and FY 2012-13.	(1) Appropriates \$976,469,100 SAF for FY 2011-12 and \$1,027,769,100 for FY 2012-13. Reduces federal funding to \$363,400,000 for FY 2011-12 and FY 2012-13.		
(2) Special Ed ISD Foundations and Costs	(2) Allocates \$248,200,000 for FY 2010-11.	(2) Allocates \$245,700,000 for FY 2011-12 and \$258,700,000 for FY 2012-13.	(2) Allocates \$245,500,000 for FY 2011-12 and \$258,600,000 for FY 2012-13.		
(3) Special Ed ISD Hold Harmless Payments	(3) Allocates \$1,400,000 for FY 2010-11.	(3) Eliminates ISD hold harmless payments.	(3) Concurs with Executive.		
(6) Special Ed Administrative Rule Changes	(6) Allocates \$2,200,000 for FY 2010-11.	(6) Maintains allocation at \$2,200,000 for both FY 2011-12 and FY 2012-13.	(6) Maintains allocation at \$2,200,000 for both FY 2011-12 and FY 2012-13.		

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(8) Special Ed ISD Center Program FICA and retirement costs reimbursements.	(8) Allocates \$15,313,900 for FY 2010-11.	(8) Eliminates ISD FICA and retirement reimbursements.	(8) Concurs with Executive.		
(12) Special Ed ISD Foundations for Non Sec. 52	(12) Allocates \$6,600,000 for FY 2010-11.	(12) Allocates \$6,800,000 for both FY 2011-12 and FY 2012-13.	(12) Allocates \$6,800,000 for both FY 2011-12 and FY 2012-13.		
(15) Special Ed for certain PSA pupils	(15) Directs the provision of and payment for special education for PSA pupils who are not residents in the intermediate district in which the PSA is located.	(15) Deletes this subsection.	(15) Maintains current law.		
Sec. 51c Special Education - <i>Durant</i> Payment	Allocates \$732,100,000 from the appropriation in Sec. 51a(1) for FY 2010-11 to provide funding for costs associated with <i>Durant</i> settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.	Decreases the FY 2011-12 appropriation to \$668,300,000 to reflect future cost estimates. Appropriates \$709,700,000 for FY 2012-13 to reflect future cost estimates.	Decreases the FY 2011-12 appropriation to \$669,900,000 to reflect future cost estimates. Appropriates \$708,100,000 for FY 2012-13 to reflect future cost estimates.		
Sec. 51d Federal Special Education Funds	Appropriates \$74,000,000 in Federal special education grants for FY 2010-11.	Reduces the Federal appropriation to \$74,000,000 for FYs 2011-12 and 2012-13.	Concurs with Executive.		
Sec. 53a Special Education -Court Placed pupils	Allocates \$13,500,000 from the appropriation in Sec. 51a(1) for FY 2010-11.	Maintains the \$13,500,000 appropriation for FY 2011-12 and FY 2012-13.	Concurs with Executive.		
Sec. 54 Special Ed - Schools for the Deaf and Blind	Allocates \$1,688,000 from the appropriation in Sec. 51a(1) for FY 2010-11.	Maintains the \$1,688,000 appropriation for FY 2011-12 and FY 2012-13.	Concurs with Executive.		

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Sec. 56 Special Education - Millage Equalization	Allocates \$36,881,100 from Sec. 51a(1) for FY 2010-11 for millage equalization to provide funding to intermediate districts to guarantee a minimal amount per special education mill levied, on a per-pupil basis. Per pupil equalization is \$181,700.	Maintains the \$36,881,100 appropriation for FY 2011-12 and FY 2012-13. FY 2011-12 equalization is \$174,700, and FY 2012-13 equalization is \$173,000.	Concurs with Executive.		
Sec. 61a Vocational Education	Appropriates \$26,611,300 for FY 2010-11 to support vocational education programs.	Maintains the \$26,611,300 appropriation for FY 2011-12 and FY 2012-13.	Concurs with Executive.		
Sec. 62 Vocational Education Millage Equalization	Appropriates \$9,000,000 for FY 2010-11 to provide funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis. FY 2010-11 per-pupil equalization amount is \$194,700.	Maintains the \$9,000,000 appropriation for FY 2011-12 and FY 2012-13. FY 2011-12 per-pupil equalization amount is \$190,400 and FY 2012-13 amount is \$188,300.	Concurs with Executive.		
Sec. 64 Health/Science Middle College Program	Appropriates \$2,000,000 in FY 2010-11 for grants to intermediate districts or Detroit Public Schools that are in consortium with a community college or state university and a business to create and implement a middle college focused on health sciences or other career choices.	Repeals this section.	Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Sec. 65 Precollege Engineering and Science Grants	Appropriates \$905,100 for FY 2010-11 for grants to districts or intermediate districts for precollege programs in engineering and the sciences. Grand Rapids and Detroit receive \$340,050 each and 3 intermediate districts (Huron, Tuscola, and Bay-Arenac) receive grants of \$75,000.	Repeals this section.	Concurs with Executive.		
Sec. 74 Bus Driver Safety and School Bus Inspections	Appropriates \$2,058,800 for FY 2010-11. (2) \$1,625,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction. (4) \$433,800 to reimburse Michigan State Police for doing random audits of local school district bus inspections. (Supplemental request would increase this by \$500,000.)	FY 2011-12 and FY 2012-13 total appropriation of \$3,154,600. (2) of which \$1,625,000 continues the appropriation for bus driver safety, and (4) Increases funding to \$1,529,600 to reflect current law, which requires the Michigan State Police to conduct all safety inspections, rather than simply doing random audits of school district safety inspections.	Concurs with Executive. Concurs with Executive. Concurs with Executive.		
Sec. 81 Intermediate School Districts (ISD) General Operations Funding	Appropriates \$65,376,800 for FY 2010-11 for basic operational funding of intermediate districts.	Reduces funding by 5% to \$62,108,000 for FY 2011-12 and FY 2012-13. (6) Eliminates language which would protect from future reductions the portion of an intermediate district's allocation under section 81 equal to the amount transferred into section 81 for each intermediate district in 1994-95 from former section 146 and section 147 related to FICA and retirement.	Concurs with Executive. (6) Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Sec. 92 Agriculture Education Program	Appropriates \$300,000 for a new program at Saginaw Valley State University for the purpose of establishing an agriculture education program.	Repeals this section.	Concurs with Executive.		
Sec. 93 State Aid to Libraries for Michigan Electronic Library Catalog (MeLCat)	Appropriates \$1,500,000 to the Library of Michigan for state aid to libraries to help support the (MeLCat) in public schools and libraries.	Repeals this section.	Concurs with Executive.		
Sec. 94a Center for Educational Performance and Information (CEPI)	Appropriates \$5,421,100 GF/GP in FY 2010-11 to support the operations of the CEPI and for the development and implementation of a comprehensive data management and student tracking system.	Appropriates \$5,501,700, an increase of \$80,600 for economic increases at CEPI, for both FY 2011-12 and FY 2012-13.	Concurs with Executive.		
	Appropriates \$8,440,000 SAF in FY 2010-11 to support districts in linking individual teachers to student achievement data as required under 2009 education reforms.	Shifts the \$8,440,000 in SAF, to section 152a, which reimburses districts for data collection and reporting costs.	Concurs with Executive.		
	Appropriates \$10,067,800 in FY 2010-11 from Federal funds for Federal reporting requirements and to support the efforts of postsecondary institutions to comply with Michigan's statewide longitudinal data system.	Appropriates \$2,893,200 in Federal funds for both FY 2011-12 and FY 2012-13. Eliminates \$7,174,600 in potential Federal Race to the Top funds, which were not received by the State.	Concurs with Executive.		
Sec. 98 Michigan Virtual University (MVU)	Appropriates \$1,687,500 GF/GP to MVU in FY 2010-11 for operations of the Virtual High School and appropriates \$2,700,000 in Federal funds.	Maintains the appropriation of \$1,687,500 GF/GP and \$2,700,000 Federal for FY 2011-12 and FY 2012-13.	Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Sec. 98 Michigan Virtual University (MVU) (cont.)		(8) Eliminates required MVU report to appropriations subcommittees, fiscal agencies, and state budget director, including a list of Michigan schools served by MVU, a list of available online courses offered to Michigan schools, the total number of online course enrollments and completions, overall course completion rate, a summary of federal grant expenditures and unmet educational needs.	(8) Retains the report.		
Sec. 99 Math and Science Centers	Appropriates for FY 2010-11 \$2,515,000 SAF and \$110,000 GF/GP and \$5,249,300 in Federal funds for the funding of 33 math and science centers.	Maintains the appropriations for FY 2011-12 and FY 2012-13. (11) Adds a reporting requirement that by July 1, each center receiving funds shall report to the Department performance measures including the statistical change in pre- and post-assessment scores for students enrolled in math and science activities at the center and the statistical change in pre- and post-assessment scores for teachers enrolled in professional development provided by the center.	Concurs with Executive. (11) Concurs with Executive.		
Sec. 99i Pontiac Crisis Intervention Grant	Appropriates \$300,000 in FY 2010-11 to expand the crisis intervention program at Pontiac.	Repeals this section.	Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Sec. 104 Assessment Funding	<p>Appropriates \$40,194,400 for FY 2010-11 from the SAF for reimbursement of costs associated with state student assessment requirements. Also appropriates \$3,250,000 in Federal assessment funding for the purposes of complying with Federal NCLB Act.</p> <p>Requires that in order to receive state aid a district must administer assessments in compliance with the following sections of the School Code: 1278a, 1278b, 1279, 1279g, and 1280b.</p>	<p>Appropriates \$35,194,400 SAF and \$8,250,000 Federal funds for FY 2011-12. Shifts \$5,000,000 Federal funds from the Department of Education, used for the one-time rewrite of the secure assessment site, back to the assessment program in School Aid, allowing for an equal reduction in SAF.</p> <p>Reduces SAF to \$26,694,400 in FY 2012-13 to recognize the elimination of two-year funding related to the implementation of assessment changes required by 2009 education reforms.</p> <p>Maintains Federal funding of \$8,250,000 for FY 2012-13.</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p>		
Sec. 107 Adult Education	Appropriates \$22,000,000 in SAF for Adult Education programs for FY 2010-11.	<p>Appropriates \$22,000,000 for FY 2011-12 and FY 2012-13.</p> <p>(6) Eliminates a \$200,000 grant for expanding an innovative community college program that focuses on educating adults, which currently goes to Grand Rapids Community College.</p>	<p>Concurs with Executive.</p> <p>(6) Retains \$200,000 grant for community college program.</p>		
Sec. 109 Instructional services for students hospitalized or confined to home	<p>(1) Requires districts to provide instructional services for students hospitalized or confined at home for more than 5 days.</p> <p>(3) Annually by October 15 requires the department to provide a written explanation of a district's responsibilities to each district and to persons upon request.</p>	<p>(3) Requires only that the department post an explanation of a district's responsibilities online.</p>	<p>(3) Maintains an annual notification to each district, but would allow the Department to provide it electronically.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE																																
Sec. 147 Retirement Contribution Rate	<p>Estimated FY 2010-11 rate at 19.41%, with an amortization period of 27 years. Revised for retirement reform in 2010:</p> <p>Employees Pre July 2010:</p> <table><tr><td><u>FY 11</u></td><td></td></tr><tr><td>Pension: 12.16%</td><td></td></tr><tr><td>Health: 8.50%</td><td></td></tr><tr><td>Total: 20.66%</td><td></td></tr></table> <p>Employees Post July 2010:</p> <table><tr><td><u>FY 11</u></td><td></td></tr><tr><td>Pension: 10.66%</td><td></td></tr><tr><td>Health: 8.50%</td><td></td></tr><tr><td>Total: 19.16%</td><td></td></tr></table>	<u>FY 11</u>		Pension: 12.16%		Health: 8.50%		Total: 20.66%		<u>FY 11</u>		Pension: 10.66%		Health: 8.50%		Total: 19.16%		<p>Rate increases as follows, and the amortization period is 26 years.</p> <p>Employees Pre July 2010:</p> <table><tr><td><u>FY 12</u></td><td><u>FY 13</u></td></tr><tr><td>Pension: 15.96%</td><td>18.62%</td></tr><tr><td>Health: 8.50%</td><td>8.75%</td></tr><tr><td>Total: 24.46%</td><td>27.37%</td></tr></table> <p>Employees Post July 2010:</p> <table><tr><td><u>FY 12</u></td><td><u>FY 13</u></td></tr><tr><td>Pension: 14.73%</td><td>17.39%</td></tr><tr><td>Health: 8.50%</td><td>8.75%</td></tr><tr><td>Total: 23.23%</td><td>26.14%</td></tr></table>	<u>FY 12</u>	<u>FY 13</u>	Pension: 15.96%	18.62%	Health: 8.50%	8.75%	Total: 24.46%	27.37%	<u>FY 12</u>	<u>FY 13</u>	Pension: 14.73%	17.39%	Health: 8.50%	8.75%	Total: 23.23%	26.14%	Concurs with Executive.		
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Sec. 152a Adair Data collection and reporting costs	Appropriates \$25,624,500 for FY 2010-11 to reimburse districts for data collection and reporting costs as required in <i>Adair v. State of Michigan</i> .	Appropriates \$34,064,500 for FY 2011-12 and FY 2012-13 to recognize the shift of \$8,440,000 from the Sec. 94a CEPI funding to support districts in linking individual teachers to student achievement data as required under 2009 education reforms.	Concurs with Executive.																																		
Sec. 158b Report on Federal Impact Aid	Requires each district that receives federal impact aid annually to report CEPI the amount of that aid the district received.	Repeals this section.	Concurs with Executive.																																		
Sec. 166c Basic Materials Hotline/Claims Process	Requires districts to develop and implement a policy addressing adequate supplies. Requires the department to develop and make available a model policy. Establishes a protocol for teachers who do not have access to adequate supplies.	Repeals this section.	Concurs with Executive.																																		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Technical Adjustments	N/A	Includes date changes. Removes all Sec. 20j references.	Concurs with Executive.		
Enacting Section 1 State Spending and Payments to Locals	N/A	FY 2011-12 state spending from state sources is \$10,520,227,300 and payments to locals are \$10,364,473,300.	FY 2011-12 state spending from state sources is \$10,522,414,300 and payments to locals are \$10,366,600,300.		
Enacting Section 2 Repeals Sections as of October 1, 2011.	N/A	Repeals the following: Sec. 11: Total appropriations Sec. 11d: Per Pupil Reductions Sec. 11p: Federal Education Jobs Funds Sec. 20j: Hold Harmless foundation calculations Sec. 20k: Hold Harmless millage calculations Sec. 22d: Rural, Isolated Grants Sec. 22e: Michigan Business Tax hold harmless grants Sec. 29: Declining Enrollment Sec. 32c: Child abuse and neglect prevention Sec. 41: Bilingual grants Sec. 64: Middle College grants Sec. 65: Precollege Engineering grants	Repeals the following: Sec. 11d: Per Pupil Reductions Sec. 11p: Federal Education Jobs Funds Sec. 20j: Hold Harmless foundation calculations Sec. 20k: Hold Harmless millage calculations Sec. 22d: Rural, Isolated Grants Sec. 22e: Michigan Business Tax hold harmless grants Sec. 29: Declining Enrollment Sec. 32c: Child abuse and neglect prevention Sec. 41: Bilingual grants Sec. 64: Middle College grants Sec. 65: Precollege Engineering grants		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE	SENATE	CONFERENCE
Enacting Section 2 Repeals Sections (continued)		Sec. 92: Agricultural Education Program Sec. 93: State Aid to Libraries Sec. 99i: Pontiac Crisis Intervention program Sec. 99p: Cultural Access Grants Sec. 158b: Report on Federal Impact Aid Sec. 166c: Basic Instructional Supplies Hotline Sec. 171: Statutory references prior to 1979 Sec. 172: School Aid Act of 1979 effective date	Sec. 92: Agricultural Education Program Sec. 93: State Aid to Libraries Sec. 99i: Pontiac Crisis Intervention program Sec. 99p: Cultural Access Grants Sec. 158b: Report on Federal Impact Aid Sec. 166c: Basic Instructional Supplies Hotline		